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Floor Statement
Proposed Medicaid Cuts in the Concurrent Resolution on the Budget for FY 2006
The Honorable Anna G. Eshoo
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Mr. Speaker, the proposed reductions in Medicaid under this Budget Resolution plan are unacceptable. For 40 years Medicaid has always been a crucial support system for low-income individuals. Medicaid has made health care available to millions of Americans who have no other access to health care.

The Budget Resolution will require \$14 - \$20 billion in cuts from the program over the next five years and it will almost certainly lead to changes to state funding rules, administrative payment cuts, and prescription drug payment changes. This comes at a time when poverty is up, wages are down, and the number of uninsured Americans is at a record high in our nation's history.

The Medicaid program serves nearly 50 million Americans. As people lost jobs and income during the recent economic downturn, Medicaid enrollment increased by nearly one-third. The decreasing number of those who receive health care benefits through employment adds additional burdens to the Medicaid system. States and local governments rely on federal assistance to help provide a safety-net to these individuals. Any cuts to the Medicaid program will shift the burden entirely onto state and local governments that are already straining to meet increasing demands on the program and severe budget pressures of their own. In many states, Medicaid costs exceed education costs.

In California, our Medicaid program, Medi-Cal, matches every dollar of federal funding with a dollar in state funding. This shared commitment is critical since the state receives \$20 billion in federal funding. Reducing federal Medicaid funding to states at a time of rising health care costs, increased numbers of uninsured, and states' increasing difficulties in paying their share of Medicaid costs, is bound to force states to reduce coverage and increase the numbers of uninsured. Uninsured patients without access to care will instead seek treatment in emergency rooms, further burdening an already overtaxed system.

The Medicaid program is not only critical for low-income individuals, but it's also fundamental to the operation of California's safety-net hospitals. The President's budget calls for eliminating the use of intergovernmental transfers for hospital funding. This means there will be at least \$11.9 billion in direct cuts to safety-net providers nationwide. Many states rely on IGTs to fund their Medicaid budgets. The low-income and uninsured rely on these hospitals to receive access to needed health care services. Without the continuation of federal Medicaid funds targeted to safety net hospitals, millions of Californians will not have access to necessary health care services. This budget resolution advances this march to folly for so many Americans and that's why 242 national groups and 785 state groups, including the National Governors Association and the National Association of Counties oppose changes in Medicaid.

We have an obligation to care for the less fortunate, and the Congress should not be cutting critical health care and other services from those in need. Rather, we should maintain our partnership with the states to ensure that Medicaid benefits remain available for the most vulnerable in our society.

I urge all my colleagues in the House to oppose the Budget Resolution.